

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED

02/12/26

04:59 PM

R1910005

Order Instituting Rulemaking on the Commission's
Own Motion to Consider Renewal of the Electric
Program Investment Charge Program.

R.19-10-005
(Filed October 10, 2019)

**COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) ON
PROPOSED DECISION OF ALJ GLEGOLA ADOPTING ELECTRIC PROGRAM
INVESTMENT CHARGE STRATEGIC OBJECTIVES**

E. Gregory Barnes
8330 Century Park Court, CP32D
San Diego, California 92123
Telephone: (858) 654-1583
Email: gbarnes@sdge.com

Attorney for:
SAN DIEGO GAS & ELECTRIC COMPANY

February 12, 2026

TABLE OF CONTENTS
(Rule 14.3(b) subject index of recommended changes to the proposed decision)

I.	ITEMS FOR COMMENT	1
A.	Strategic Objective 8 would impose unnecessary security risks and costs.....	2
B.	Inflation Based Budget Adjustment requires clarification.....	5
C.	The proposed PICG budget is unreasonable.....	6
II.	CONCLUSION.....	8

TABLE OF AUTHORITIES

STATUTES AND LEGISLATION

18 C.F.R. § 388.1133

CALIFORNIA PUBLIC UTILITIES COMMISSION DECISIONS

D.12-05-037, 2012 Cal. PUC LEXIS 2326

D.21-11-028, 2021 Cal. PUC LEXIS 5426

OTHER AUTHORITIES

Commission Rules of Practice and Procedure, Rule 14.3 i, 1

Evergreen Economics, *Second Independent Electric Program Investment Charge (“EPIC”) Evaluation* (January 23, 2025).....6

F. Beck, *Energy Division Staff Report on IOU Administrator Progress in Implementing the Additional Requirements of D.21-11-028 for the EPIC Program* (March 13, 2025)6

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the Commission's
Own Motion to Consider Renewal of the Electric
Program Investment Charge Program.

R.19-10-005
(Filed October 10, 2019)

**COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) ON
PROPOSED DECISION OF ALJ GLEGOLA ADOPTING ELECTRIC PROGRAM
INVESTMENT CHARGE STRATEGIC OBJECTIVES**

Pursuant to Rule 14.3(b),¹ San Diego Gas & Electric Company (“SDG&E”) submits these comments on the Proposed Decision of Administrative Law Judge Glegola (“PD”) issued January 23, 2026, that would adopt Electric Program Investment Charge (“EPIC”) strategic objectives. SDG&E limits its comments to certain important matters as described below.

I. ITEMS FOR COMMENT

SDG&E generally supports the PD, especially the determination that the Investor-Owned Utilities (“IOUs”) continue as EPIC Administrators for the EPIC 5 Program Cycle.² However, SDG&E opposes two items in the PD, and requests correction or clarification of one item. First, SDG&E opposes the following language within Strategic Objective 8, “open-access data on grid equipment condition and capability.”³ Given the potential safety and security concerns of providing open-access data to third parties, SDG&E proposes that this language be stricken from the PD.

Second, SDG&E requests clarification related to the regulatory mechanism for increasing EPIC budgets based on inflation.

¹ References to “Rule” or Rules” herein are to the Commission’s Rules of Practice and Procedure.

² PD at 2.

³ *Id.*, A-3.

Third, SDG&E opposes the proposed doubling of the Policy + Innovation Coordination Group (“PICG”) Project Coordinator budget. As proposed, the PICG Coordinator budget would exceed, by more than double, SDG&E’s entire administrative budget for the EPIC 5 Program Cycle.

A. Strategic Objective 8 Would Impose Unnecessary Security Risks and Costs

SDG&E supports the Strategic Objectives adopted in the PD, except for Strategic Objective 8’s “open-access data on grid equipment condition and capability” language. This language creates the potential for increased *physical risk* and/or *cybersecurity vulnerabilities* to the energy system. As it has many times in the past, SDG&E has a responsibility to call out this risk and advocate that the language be struck from the PD, as it could create future issues for the safety of the electric system.⁴

As reflected in prior comments summarized in the PD, open access to grid and asset data could create opportunities for bad actors to exploit vulnerable equipment conditions. The PD uses “open-access” as if it is a term with a broadly known, shared understanding of a precise meaning in this context. In fact, the term raises more questions than it illuminates. Without clarity on the definition of “open-access data on equipment condition and capability,” SDG&E assumes the worst-case scenario. The public availability of secure data (*i.e.*, identification, routing, ratings, loading, status) is especially sensitive because the information provides a holistic system overview as well as detailed information that may assist with the identification of a single point of failure, choke points, or nodes servicing critical infrastructure. It appears the PD shares this concern, where it states:

⁴ *Comments of San Diego Gas & Electric Company on Staff Proposal* (March 28, 2025) at 4-5.

In response to PG&E and SDG&E's concerns on the open-access provision, the Commission clarifies that EPIC-funded projects addressing this Strategic Objective *demonstrate at the outset that the granularity of related open-access data will not increase physical risk or cybersecurity vulnerabilities to the energy system.*⁵

In other words, the PD's open access still requires a threshold demonstration that the data sought will not pose a security risk - a requirement at odds with an open access concept.

This is a particular concern for SDG&E given the high concentration of military and national security facilities within the SDG&E distribution service area and the Critical Energy/Electric Infrastructure Information ("CEII") that is associated with those facilities.⁶

As support for its wording, the PD states "the need for open-source data was repeatedly raised as an important need for this topic in the Technical Working Groups."⁷ The PD offers no other facts or justification, and nothing in the PD's findings of fact addresses "open access" to equipment condition or otherwise provides evidence that bad actors would not exploit such information. What parties asserted such a need? Why is the need "important" to the objective? The need certainly is not self-evident, and parties may have business objectives or other agendas behind their assertions that do not relate to EPIC goals. Before potentially compromising the security of critical infrastructure, the Commission must require a more robust showing than a recitation of assertions from unnamed workshop participants, preferably in a proceeding permitting more focus on grid security.

Additionally, the use of the term "capability" within the Strategic Objective may introduce unintended market and regulatory concerns. Disclosure of equipment condition or

⁵ PD at 64 (emphasis added).

⁶ Pursuant to the mandatory protections codified by 18 C.F.R. § 388.113, CEII must **not** be made publicly available by any federal, state, or tribal authority if designated as CEII.

⁷ PD at 64.

operational capabilities could enable certain vendors to derive insights that confer an unfair competitive advantage in procurement processes, potentially undermining principles of open, non-preferential competition required in regulated utility environments. Furthermore, granular operational data, such as congestion or loading information, could be misinterpreted or used to inform opportunistic commercial strategies, including congestion-based pricing models, which may conflict with regulatory expectations for market neutrality and nondiscriminatory access.

SDG&E already follows established security and data-governance processes for any external data requests. Any EPIC data-sharing requests – present or future – would follow the same standards, regardless of whether the “open-access” language is included. Data that is shared is and will be handled through secure, controlled methods, with specific requirements and responsibilities placed on the end-user. These protections are in place to mitigate exposure and risks and the standards have been successful in protecting customer and asset data, while also supporting such requests.⁸

There are two additional reasons that the Commission should strike the PD’s “open-access” language. First, EPIC is not the proper regulatory vehicle for mandating open-access operational data on equipment and capability, it is not focused on system security. EPIC is a research, development, and demonstration (“RD&D”) funding program. Its mission is to support innovation, technology pilots, and pre-commercial demonstrations and solutions, not to serve as a backdoor mechanism to introduce new data-sharing mandates outside the appropriate

⁸ The PD (at 64) acknowledges the need to vet the safety of open access requests:

In response to PG&E and SDG&E’s concerns on the open-access provision, the Commission clarifies that EPIC-funded projects addressing this Strategic Objective *demonstrate at the outset that the granularity of related open-access data will not increase physical risk or cybersecurity vulnerabilities to the energy system.*

Commission proceedings dedicated to security, privacy, and infrastructure governance. As such, EPIC cannot circumvent or weaken other securities, laws, and regulations that are in place.

Second, in this era where affordability concerns are paramount, it is self-evident that implementing systems to provide open access to equipment data could be costly and increase the regulatory compliance burden on IOUs. Absent a compelling showing that such access is necessary (which is absent here), open access should be rejected in this context.

In sum, SDG&E recommends removing language “c) open-access data on equipment and capabilities.”⁹

B. Inflation Based Budget Adjustment requires clarification

As stated in Decision (“D.”) 21-11-028, and reiterated in the PD, EPIC Administrators can propose increases to their budgets based on inflation.¹⁰ SDG&E supports this opportunity, given the time that has passed between decisions and the natural increase of pricing associated with different EPIC projects. As a point of clarification, SDG&E proposes that the following language be added to OP 2:

EPIC Administrators may propose budgetary increases associated with inflation in their respective EPIC 5 Investment Plan that will be filed on June 26, 2026.

This statement provides clarity on where the request is to be made, in addition to avoiding another filing for the Commission to review.

⁹ PD at A-3.

¹⁰ *Id.*, at Ordering Paragraph (“OP”) 2 at 109.

C. The Proposed PICG Budget is Unreasonable

The PD would potentially double the PICG budget.¹¹ The PD offers no explanation for the increase, other than itemizing the contractor’s expected duties, without linking these items to a needed funding increase. No supporting findings of fact or explanation in the ordering paragraphs is offered. And there is no record support in this docket; Neither the Evergreen evaluation¹² nor the staff report¹³ address PICG funding. Per D.12-05-037, under paragraph “Efficient Use of Ratepayer Monies,” the “administrative costs need to be minimized to the greatest extent practicable without compromising programmatic oversight functions and efficacy.”¹⁴ As an EPIC Administrator, SDG&E delivers substantially greater value to ratepayers than the PICG because SDG&E performs the full suite of program responsibilities, planning, project selection, execution, governance, coordination, reporting, audits/evaluations, workshops, financial tracking, data requests, regulatory proceedings and compliance, while the PICG’s role is limited to “facilitating Administrator strategic planning, public workshops, and drafting summary reports to inform future Commission guidance on EPIC strategic direction, as well as updating and managing the EPIC research and development database.”¹⁵ The scale, complexity, and regulatory accountability associated with EPIC administration far exceed those of the PICG function.

¹¹ *Id.*, at 100-101. PICG is the contractor for Commission staff, the Policy + Innovation Coordination Group Project Coordinator (“PICG Coordinator”).

¹² Evergreen Economics, *Second Independent Electric Program Investment Charge (“EPIC”) Evaluation* (January 23, 2025).

¹³ F. Beck, *Energy Division Staff Report on IOU Administrator Progress in Implementing the Additional Requirements of D.21-11-028 for the EPIC Program* (March 13, 2025).

¹⁴ D.12-05-037 at 14.

¹⁵ PD at 101.

Especially given current affordability concerns, it is unreasonable for the PICG to have a proposed budget that would now far exceed the administrative budget of SDG&E of over two times magnitude. PICG’s proposed budget for EPIC-5 would be up to \$3.5M; in contrast, SDG&E’s EPIC-4 Administration Budget is \$1.6M. It is not reasonable or appropriate for a coordination function, with no demonstrated expansion in scope, deliverables, or regulatory requirements, to command a budget significantly larger than that of an EPIC Administrator conducting end-to-end program execution. SDG&E’s administration of EPIC has supported success and provided value with direct and measurable benefits for ratepayers. SDG&E’s EPIC-4 Application¹⁶ quantified all SDG&E’s EPIC Projects conducted during the EPIC-1, EPIC-2, and EPIC-3 cycles. To name a few benefits:

- Project 1 – Smart Grid Architecture Demonstrations Program and Project 3 – Distributed Control for Smart Grids – reduced capital costs by 10-30% estimated potential savings.
- Project 4 – Safety Training Simulators with Augmented Visualization - SAIDI Improvement of 13.1 minutes, value of reliability improvement \$30M/yr.
- Project 5 – Unmanned Aircraft System (“UAS”) with Advanced Image Processing for Electric Utility Inspection and Operation – O&M costs reduced by \$100/hr, \$38k/yr per inspection.
- Project 7 – Demonstration of Multi-Purpose Mobile Battery for Port of San Diego and/or Other Applications: San Diego Port District and Community Resource Center – O&M costs reduced by \$650k, GHG reductions of 3 MT CO₂/yr.

Prior to any increase of this magnitude, SDG&E recommends that the Commission require a transparent justification showing incremental workload, new responsibilities, metrics, and clear benefits to ratepayers. In the absence of such evidence, SDG&E recommends maintaining the PICG budget at current levels.

¹⁶ Application (“A.”) 22-10-002, *Application of SDG&E For Approval of Fourth Electric Program Investment Charge Plan for Years 2021-2025* (October 3, 2022).

II. CONCLUSION

For the foregoing reasons, SDG&E requests that the Commission promptly approve a final decision that includes the modifications referenced herein.

Respectfully submitted,

/s/ E. Gregory Barnes

E. Gregory Barnes
8330 Century Park Court, CP32D
San Diego, CA 92123
Telephone: 619-405-2204
E-mail: gbarnes@sdge.com

Attorney for:
San Diego Gas & Electric Company

February 12, 2026

RULE 14.3(B) APPENDIX – changes to findings of fact and conclusions of law, etc.

1. Strike “c) open-access data on equipment and capabilities” from Strategic Objective 8, PD p. A-3.
2. Add to OP2: “EPIC Administrators may propose budgetary increases associated with inflation in their respective EPIC 5 Investment Plan that will be filed on June 26, 2026” to OP2.
3. Provide further justification for new responsibilities and scope changes that are causing the PICG budget increase within OP7 of the Decision